



Department of Justice

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JUSTICE DEPARTMENT REQUIRES CHITTENDEN CORP. AND VERMONT FINANCIAL TO DIVEST BANK BRANCHES AND ATM IN VERMONT

WASHINGTON, D.C. -- The Department of Justice's Antitrust Division today cleared the merger of Chittenden Corporation with Vermont Financial Services Corporation after the parties agreed to divest 17 branch offices and one ATM in Vermont with deposits totaling about \$480 million. These branches are in eight Vermont banking markets: Barre-Montpelier, Bennington, Brattleboro, Burlington-St.Albans, Middlebury, Rutland, Springfield, and Vergennes.

In addition, Chittenden has agreed that it would not take steps to preclude other financial institutions from leasing or purchasing any bank branches that it may close due to consolidation resulting from this merger.

"These divestitures are important because they ensure that local customers, particularly small businesses, will continue to have competitively priced banking services," said Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division.

Subject to regulatory approvals, the 17 branches and associated loans and deposits that Chittenden will divest will be sold to one or more competitively suitable buyers. Charter One has entered into a definitive agreement with the parties to purchase 14 of the divested branches.

The Department said that it will advise the Federal Reserve Board that, subject to divestiture of the branch offices and associated loans and deposits, the Division will not challenge the merger. The proposed merger of Chittenden and Vermont Financial Services

Corporation is subject to the approval of the Board of Governors of the Federal Reserve System. In conducting this investigation, the Department worked closely with the Vermont Attorney General's Office.

Chittenden is headquartered in Burlington, Vermont. It has \$1.9 billion in deposits and \$2.1 billion in assets. Chittenden has 36 banking offices throughout Vermont and nine branches in Massachusetts.

Vermont Financial Services Corporation, headquartered in Brattleboro, Vermont, has deposits of about \$1.8 billion and \$2.1 billion in total assets. VFSC has 40 banking offices in Vermont, six in Massachusetts, and 17 in New Hampshire.

A list of the branches to be sold is attached.

| <i>Bank</i> | <i>Branch Name</i> | <i>Branch Address</i> | <i>Town</i> |
|-------------|--------------------------------|----------------------------|----------------|
| VNB | Berlin Shopping Mall | RR 4 Berlin Mall Rd | Berlin |
| VNB | Montpelier - Depot | 7 Main St | Montpelier |
| VNB | Bennington | 310 Main St | Bennington |
| VNB | Brattleboro - Putney Rd | N Putney Rd | Brattleboro |
| VNB | Burlington Square Mall | 5 Burlington Square | Burlington |
| VNB | Colchester | 130 Prim Rd | Colchester |
| VNB | Essex Junction | 84 Pearl St | Essex Junction |
| VNB | S. Burlington - Shelburne Rd | 1117 Shelburne Rd | S. Burlington |
| VNB | St. Albans | 152 S. Main St. | St. Albans |
| VNB | Williston | 1 Blair Park (2 Helena Dr) | Williston |
| VNB | Winooski | 1 Main Street | Winooski |
| VNB | Middlebury | Route 7 South | Middlebury |
| VNB | Rutland | 143 Woodstock Ave | Rutland |
| VNB | Rutland - ATM | 92 Woodstock Ave | Rutland |
| VNB | Rutland - Green Mountain Plaza | Rt 7 South - Green Mtn. | Rutland |
| VNB | Bellows Falls | 41 Square | Bellows Falls |
| VNB | Ludlow | 152 Main St | Ludlow |
| VNB | Vergennes | Stevens House/Main St | Vergennes |

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